

## Exhibit A, Attachment I TAKEOVER

The use of headings of titles throughout this exhibit is for convenience only and shall not be used to interpret or govern the meaning of any specific term, function, or activity.

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## **1.0 TAKEOVER**

### **1.1 OVERVIEW**

This section provides the Contractor with the activities, due dates and quality assurance levels necessary to perform all activities for the assumption of Contract Operations. The complete adherence to the requirements stated herein provides the California Department of Health Services (CDHS), with assurance that the Contractor will be effective in meeting Exhibit A, Attachment II Scope of Work requirements during the Operations time period. These Takeover requirements are a roadmap for the Contractor to follow in preparing to assume full operations under the Health Care Options (HCO) Contract.

The Takeover requirements discussed in this section, and completion dates for each, are detailed in the Takeover Schedule in section 1.5, below. The dates and time frames stated in both the Takeover Schedule and narrative of this Contract may need to be adjusted to accommodate changing circumstances during the Takeover process. Thus, the Contractor's Takeover plans shall be submitted, and subsequently updated, as required herein.

### **1.2 OBJECTIVES**

The Takeover requirements as noted in this section shall:

- A. Ensure the Contractor is able to fully assume all HCO Program Operations activities in order to educate, enroll, disenroll and transition Medi-Cal beneficiaries into managed care plans;
- B. Ensure a smooth transition of HCO Program Operations from the current contractor to the new Contractor; and
- C. Ensure the timely and accurate implementation of the Contractor's HCO Program Operations so that beneficiary enrollment activities remain uninterrupted.

### **1.3 ASSUMPTIONS AND CONSTRAINTS**

Takeover activities shall commence five (5) months prior to Assumption of Operations. If CDHS extends the current Contract term, all Takeover activities shall be delayed for a commensurate period of time. Takeover activities are scheduled to conclude three (3) months following CDHS written approval of the user acceptance and implementation of the HCO Program Operations.

### **1.4 GENERAL REQUIREMENTS**

- A. The Contractor shall complete all Takeover tasks and activities in accordance with the requirements of this section and of the Takeover Schedule;
- B. The Contractor shall develop for submission to CDHS a Takeover Work Plan (TWP) as described in this section;

- C. Unless otherwise specified, Takeover deliverables covering ongoing Operations shall be regularly maintained, updated, and submitted to CDHS for approval throughout the term of the Contract; and
- D. The Contractor shall employ quality management measures throughout Takeover and continue these during the term of the Contract, as required in Exhibit A, Attachment II, Section 4, Quality MANAGEMENT Section of this Contract. Sufficient trained and experienced quality assurance personnel shall be on staff to ensure that all quality assurance requirements are met, during both Takeover and ongoing operations. The quality management measures that must be in place during Takeover shall include, but not be limited to:
  - 1. Management review of draft deliverables to ensure Contract compliance and timely performance of Contract general responsibilities;
  - 2. Monitoring of milestones on the Contractor's TWP to ensure that all activities are completed in accordance with Contract provisions;
  - 3. Assurance that all deliverables are complete and accurate at the time of submission to CDHS.
  - 4. A process that 1) identifies deficiencies that compromise completion schedules and deliverable accuracy; 2) reports these problems in written form, along with proposed solutions, to CDHS on a weekly basis; and 3) monitors the problem correction process to ensure they are consistent with the directions and time frames provided by CDHS; and
  - 5. The inclusion of Takeover Quality Management reports in the Contractor's Weekly Deliverable Status (WDS) Report (which is described in Exhibit A, Attachment II, Section 4, Quality Assurance).

## **1.5 TAKEOVER SCHEDULE**

The Takeover activities, due dates and quality assurance level requirements discussed in this section, are detailed in the Takeover Schedule appearing below. All data and information submitted by the Contractor, as required by the Takeover Schedule, shall be accompanied by letter, signed by the Contractor's Turnover Manager or an appointed designee, certifying that the supplied material(s) is/are current, accurate, and complete.

Unless otherwise specified, all due date periods begin on the Contract Effective Date (CED).

**Takeover Schedule**

<b>Milestone/Deliverable</b>	<b>Due Date (CED = Contract Effective Date)</b>	<b>RFP/Contract Reference</b>
<b>TAKEOVER MANAGEMENT AND PLANNING</b>		
Submit Updated Takeover Work Plan	2 Weeks After CED	Takeover, 1.7.1
Submit Gantt Chart of Takeover Work Plan	2 Weeks After CED	Takeover, 1.7.1.C
Submit Project Control and Reporting Process Reports	2 Weeks After CED and Weekly Thereafter	Takeover, 1.7.2
Assemble Management Team	CED	Takeover, 1.7.3.A
Submit Names and Resumes of Management Team Members and Staff	CED	Takeover, 1.7.3.B
Designate Takeover Manager	CED	Takeover, 1.7.3.C
Submit HCO Training Program and Plan	2 Weeks After CED	Takeover, 1.7.4
Submit Training Progress Report	2 Weeks After Training Begins and Every Other Week Thereafter	Takeover, 1.7.4.E
Submit Comprehensive Training Manual for On-going Operations Training	1 Month Prior to Assumption of Operations	Takeover, 1.7.4.F
Update Organizational Structure and Personnel Acquisition Plan	2 Weeks After CED and Monthly Thereafter, Throughout the Term of the Contract	Takeover, 1.7.5
Hire Personnel	Prior to Assumption of Operations	Takeover, 1.7.5
Submit Hiring Progress Report	2 Weeks After CED and bi-weekly thereafter	Takeover, 1.7.5
Submit Plan for Assumption of Operations	1 Month After CED	Takeover, 1.8
<b>ADMINISTRATIVE FUNCTIONS</b>		
Submit Ownership and Control Information	In Narrative Proposal (NP)	Exhibit E - Additional Provisions, Z
Designate Contractor Representative	In TP	Exhibit E - Additional Provisions, H
Submit Request for Approval of Required Insurance and/or Bonding by Other Than Third Party Carrier	In TP	Exhibit E - Additional Provisions, DD
Submit Proof of Insurance and Bonding	In TP	Exhibit E - Additional Provisions, DD, EE

<b>Milestone/Deliverable</b>	<b>Due Date (CED = Contract Effective Date)</b>	<b>RFP/Contract Reference</b>
Submit Conflict of Interest Statement, Questionnaires and, if needed, Avoidance Plan	2 Weeks After CED	Exhibit E - Additional Provisions, LL
Submit Extra Copies of Updated Narrative Proposal	2 Weeks After CED	Exhibit E - Additional Provisions, O.4
Update Conflict of Interest Statement, Questionnaires and, if needed, Avoidance Plan	2 Weeks after CED	Exhibit E - Additional Provisions, LL
<b>FACILITIES AND EQUIPMENT</b>		
Submit Updated Facilities Acquisition and Installation Plan	3 Weeks After CED	Takeover, 1.9
Provide Temporary Facility(ies) for CDHS Takeover and User Acceptance Staff	2 Weeks After CED	Takeover, 1.9
Provide On-Site Space for Full CDHS Staff	2 Weeks Prior to Assumption of Operations	Takeover, 1.9
Obtain Permanent Facility(ies) and Be Completely Operable	2 Weeks Prior to Assumption of Operations	Takeover, 1.9
Regional Presentation Sites Operational	2 Weeks Prior to Assumption of Operations	Takeover, 1.9
Project Management Software	2 Weeks Prior to CED	Takeover, 1.11
<b>FILES</b>		
Submit Data File Layout Descriptions Manual	1 Month After CED	Takeover, 1.12
Submit File Installation Plan	3 Weeks After CED	Takeover, 1.12
Accept MEDS Information for Assumption of Operations	1 Month Prior to Assumption of Operations	Takeover, 1.12
<b>INFORMING MATERIALS</b>		
Submit Materials Development, Production and Mailing Function Plan	3 Weeks After CED	Takeover, 1.13
Ensure Sufficient Staff for Printing, Distribution and Mailing Operations	3 months Prior to Assumption of Operations	Takeover, 1.13
Obtain Informing Materials Subcontractor (if needed)	2 Months Prior to Assumption of Operations	Takeover, 1.13
Ensure Adequate Inventory of Materials	1 Month Prior to Assumption of Operations	Takeover, 1.13
<b>CUSTOMER SERVICE</b>		
Submit Customer Service Plan	2 Weeks After CED	Takeover, 1.14
Submit Presentation Site Space Plan	Three (3) months prior to Assumption of Operations,	Takeover, 1.14
Ensure Sufficient Staffing for All Customer Service Functions	At Assumption of Operations	Takeover, 1.14

<b>Milestone/Deliverable</b>	<b>Due Date (CED = Contract Effective Date)</b>	<b>RFP/Contract Reference</b>
Ensure Telecommunications Operational for Assumption of Operations	1 Month Prior to Assumption of Operations	Takeover, 1.14
<b>PROCEDURES DEVELOPMENT</b>		
Submit Policy and Procedures Manuals Installation Plan	1 Month After CED	Takeover, 1.15
Submit All Policy and Procedures Manuals	2 Months Prior to Assumption of Operations	Takeover, 1.15
Submit Reports Distribution List	2 Months Prior to Assumption of Operations	Takeover, 1.16
Provide CDHS Approved Reports Distribution List	1 Month Prior to Assumption of Operations	Takeover, 1.16
Submit Report Users Manuals	3 Months Prior to Assumption of Operations	Takeover, 1.16
Provide CDHS Approved Report Users Manuals	1 Month Prior to Assumption of Operations	Takeover, 1.16
Submit Security and Confidentiality Plan	1 Business Day After CED	Takeover, 1.17
Implement Security and Confidentiality Plan	2 Weeks After CED	Takeover, 1.17
Submit Disaster Prevention and Recovery Plan	4 Months Prior to Assumption of Operations	Takeover, 1.18
Submit Updated Quality Assurance Plan	4 Months Prior to Assumption of Operations	Takeover, 1.19
Submit Quality Assurance Standards Procedures Manual	2 Months Prior to Assumption of Operations	Takeover, 1.19
Provide CDHS Approved Quality Assurance Standards Procedures Manual	1 Month Prior to Assumption of Operations	Takeover, 1.19
Develop and Submit Problem Correction Tracking Solution	3 Months Prior to Assumption of Operations	Takeover, 1.20
Submit Systems Group Organization Charts and Procedures	3 Months Prior to Assumption of Operations	Takeover, 1.21
Submit Computer Operations Manual	1 Month Prior to Assumption of Operations	Takeover, 1.22
System Functions Plan	2 Weeks After CED	
Submit Records Retention Procedures Plan	3 Months Prior to Assumption of Operations	Takeover, 1.24
Implement Records Retention Responsibilities	At Assumption of Operations	Takeover, 1.24
Submit Hardware And Software Configuration Manual	30 days After CED	Takeover, 1.23

<b>Milestone/Deliverable</b>	<b>Due Date (CED = Contract Effective Date)</b>	<b>RFP/Contract Reference</b>
Submit Copy of Master Index	1 Month Prior to Assumption of Operations	Takeover, 1.22
Submit document management process	1 month prior to Assumption of Operations	Takeover, 1.24
Submit Copy of Records Retention Procedures Manual	4 Months Prior to Assumption of Operations	Takeover, 1.24
Develop and Submit Records/Files Summary	At Assumption of Operations, and Quarterly Thereafter	Takeover, 1.24
<b>FINANCIAL MANAGEMENT</b>		
Submit Financial Management Manual	1 Months After CED	Takeover, 1.25
Submit Cost Reimbursement Plan	3 Months Prior to Assumption of Operations	Takeover, 1.25
Submit Updated Estimated Expenses and Actual Expenses Reports	3 Months Prior to Assumption of Operations	Takeover, 1.25
<b>OTHER ADMINISTRATIVE</b>		
Submit Other Administrative Procedures	During Takeover	Takeover, 1.26
<b>SYSTEMS TEST</b>		
Submit Updated Systems Test Plan	1 Month After CED	
<b>COMPLIANCE CERTIFICATION</b>		
Submit Updated HCO Operations Procedure Testing Plan	1 Month After CED	Takeover, 1.27
<b>ACCEPTANCE OPERATIONS</b>		
Contractor Submits User Acceptance Testing Support Plan	3 Months Prior to Assumption of Operations	Takeover, 1.28

## 1.6 TAKEOVER DELIVERABLES

Each item listed in the Takeover Schedule is considered a Takeover deliverable.

- A. The Contractor shall assume that the CDHS may require that corrections or revisions be made to each deliverable. The Contractor shall have (ten) 10 business days to make revisions to correct unaccepted deliverables.
- B. The Contractor shall ensure that all CDHS -approved revisions to deliverables and milestones are incorporated into the TWP within five (5) business days.
- C. The Contractor shall ensure that all deliverables and milestones, both original and revised, are incorporated into the Weekly Deliverable Status report (WDS), as described later in this Section. Any changes or modifications shall require



prior written approval from the CDHS. If approved, the changes shall be incorporated into the WDS Report within seven (7) calendar days of approval.

- D. The CDHS shall have the authority to either approve or deny the delivery of any item either before or after the due date that is required in this schedule.

## **1.7 TAKEOVER MANAGEMENT AND PLANNING**

### **1.7.1 TAKEOVER WORK PLAN**

The objective of the TWP is to specify, in detail, the Contractor's strategy for meeting all Takeover requirements. The TWP shall demonstrate that the Contractor fully understands and is fully capable of performing the Takeover tasks that directly parallel the corresponding Turnover tasks performed by the previous Contractor.

Two (2) weeks after CED, the Contractor shall update and submit to the CDHS for review and approval the TWP included in its Narrative Proposal. Within the updated TWP, the Contractor shall include a comprehensive schedule of tasks that reflect all of the items in the Takeover Schedule in Section 1.5. This comprehensive schedule shall detail all contractual requirements, deliverables, milestones and required CDHS approvals. The Contractor shall allow at least ten (10) business days in the TWP for CDHS review and approval of Takeover deliverables, prior to implementing and/or performing those required Takeover activities. If the CDHS determines that ten (10) business days is not sufficient time for review and approval of Takeover deliverables, the time allotted for CDHS review shall be increased accordingly.

The TWP shall include:

- A. A Work Breakdown Structure (WBS) code used to identify all processes and work performed during Takeover;
- B. Clearly identified Contractually defined deliverables, milestones, walkthroughs, and CDHS approvals;
- C. A Gantt (or equivalent) chart that depicts all Takeover activities. This Chart shall be submitted two (2) weeks after CED and shall meet the following requirements:
  - 1. It shall be based on Precedence Diagramming Methods, graphically illustrating dependencies and precedence relationships between/among all Takeover activities;
  - 2. The level of detail shall be at deliverable level;
  - 3. It shall be time-based;
  - 4. Critical paths shall be clearly identified; and
  - 5. The interrelationships of all activities shall be identified on the chart or in a separate report defining the precedence relationships.

D. A Narrative description of each task/activity on the work schedule.

### **1.7.2 PROJECT CONTROL AND REPORTING PROCESS**

The Contractor shall utilize a Project Control and Reporting Process (PCRP) to advise CDHS and Contractor management of progress in meeting goals and schedules contained in the TWP. This PCRP reporting mechanism begins two (2) weeks after CED and applies weekly thereafter until the CDHS provides written notification that the Takeover Phase is complete. The PCRP shall consist of the following four (4) elements:

- A. Weekly progress meetings attended by the Contractor and the CDHS. These meetings may include walkthroughs of selected parts of the Contractor's main operating facility, as needed by CDHS staff;
- B. Weekly progress reports submitted by the Contractor to the CDHS in a format agreed upon by both parties prior to submission. Weekly progress reports shall be submitted two (2) business days before each weekly progress meeting. In addition to any other media submitted into the media agreed upon, at least ten (10) hard copies of each report shall be submitted to the CDHS weekly;

These reports shall include, but are not limited to, the following items:

- 1. Attendees scheduled for upcoming meeting;
- 2. Progress of each task and/or activity, as applicable for that period of time;
- 3. Topics of general discussion;
- 4. Action items and decisions made at the previous weekly meeting;
- 5. Problem(s) encountered, Resolution(s) proposed for each problem, Projected completion date of problem resolution(s), Current and/or actual status of problem resolution(s), and CDHS and Contractor contact person(s) and phone number(s);
- 6. Planned activities for the next two (2) reporting periods;
- 7. Status of contractually required deliverables, milestones, and walkthroughs scheduled in the TWP;
- 8. A list of all deliverables, milestones, and CDHS approvals that are behind schedule;
- 9. Verification by the Quality Assurance Unit that the Takeover tasks are completed within the required time frames and in accordance with Contract provisions (see Exhibit A, Attachment II, Operations). Items of non-compliance shall be specifically noted, Problem Statements (PSs) submitted and Corrective Action Plans (CAPs) for resolutions shall be submitted as a part of the reports;

10. A list of missing files and/ or processes that should have been transferred from the prior Contractor as part of its Turnover activities and an adjunct list of inaccurate files and/or programs transferred from the prior Contractor as part of its Turnover activities; and
  11. Any other information deemed necessary by the Contractor or required by the CDHS.
- C. Weekly Deliverable Status (WDS) Report, in the form of a Gantt (or equivalent) chart, in a format agreed upon by both parties prior to submission, that shall include the status of deliverables, milestones, walkthroughs and CDHS approvals. It shall be used by the Contractor and the CDHS, in determining the Contractor's progress during Takeover, for tracking the status of Takeover deliverables and to assist the CDHS in determining whether Takeover invoices should be paid.

The WDS Report shall be furnished to the CDHS weekly, two (2) business days before each weekly progress meeting, and shall be current at the time of submittal. The Contractor and CDHS shall agree on the format to be used. In addition to the media format agreed upon, each weekly submittal shall include 10 (ten) hard copies of the report.

It shall meet the following requirements:

1. Two (2) versions of the report shall be submitted to CDHS. One (1) report shall use the 'WBS Number' as the sort key, and the second (2) report shall use 'Original Due Date' as its sort key. All copies of the report distributed to the CDHS shall consist of a version sorted by WBS Number, and a version sorted by Original Due Date.
2. The report shall include the following items:
  - a. WBS Number - The number that the Contractor has assigned to the deliverable and/or activity required in the TWP;
  - b. Description - Brief description of the deliverable and/or activity;
  - c. Date Delivered - The actual date that the deliverable was submitted to the CDHS for review and approval;
  - d. Original Due Date - Initially, this shall be the due date originally submitted in the Contractor's TWP. Subsequent submittals shall provide the updated or most recently approved assigned due date;
  - e. Days Early and/or Late - The number of days the deliverable was submitted either late (- days) or early (+ days);
  - f. Date Approved, Disapproved, Pending, or Conditionally Approved - The date CDHS either: Approved (A), Disapproved (D), Pending (P), or Conditionally Approved (C) the deliverable;

- g. Resubmission Due Date - If disapproved, pending or conditionally approved, this field shall reflect the new due date set by CDHS. There will be as many entries in this column as disapprovals, pends, or conditional approvals by the CDHS;
  - h. Date Resubmitted – The date resubmitted to the CDHS for review;
  - i. Date Approved, Disapproved, Pending, or Conditionally Approved - The date the CDHS approves, disapproves, pends, or conditionally approves the resubmitted deliverable; and
  - j. Remarks – Free form comments space allowing up to seventy (70) characters.
- D. A Weekly Deliverable Exception (WDE) Report. This report, in the form of a chart, shall extract those deliverables, milestones, walkthroughs, and the CDHS approvals from the WDS Report that are past due.

### **1.7.3 TAKEOVER MANAGEMENT TEAM**

At CED, the Contractor shall:

- A. Employ a Takeover Management Team to lead the Contractor's Takeover activities;
- B. Submit to the CDHS for review and approval the names and resumes of each Takeover Management Team member; and
- C. Designate one (1) individual as the Takeover Manager. The Takeover Manager shall be responsible for ensuring that all Takeover requirements are met, and shall serve as the Contractor's liaison to CDHS for the entire Takeover Project. CDHS reserves the right to review and approve the appointment of the Takeover Manager and Takeover Management Team, as well as to instruct the Contractor to make changes in the Takeover Manager position and/or Takeover Management Team anytime during Takeover.

### **1.7.4 TRAINING AND PERSONNEL DEVELOPMENT PROGRAM AND TRAINING PLAN**

The Contractor shall develop materials and courses to train Contractor staff and familiarize CDHS staff with its HCO Operations. The Contractor shall develop any needed training to ensure successful Takeover of the HCO Program as well as develop and internally distribute staff training materials as needed. The Contractor shall submit to the CDHS for review and approval a Training Manual that includes a comprehensive Training and Personnel Development Program and Training Plan, describing their plans to accomplish the required training of all Contractor employees hired to work on this Contract, as well as the CDHS staff. The Contractor shall schedule and execute this Training and Personnel Development Program and Training Plan, and all updates to the Training Plan, to fully support Takeover tasks

and activities and to ensure full preparedness for the performance of all general responsibilities including those specified below.

The prior Contractor is required, during its Turnover activities, to assist the Contractor in providing comprehensive training, both classes and materials, to the Contractor management, supervisory and technical staff during Takeover. Any conflicts that arise regarding this requirement shall be resolved solely by the CDHS. The Contractor may develop its Training and Personnel Development Program utilizing the prior Contractor's training material; however, it shall not be wholly dependent upon that training material.

The Contractor shall:

- A. Submit to the CDHS for review and approval, two (2) weeks after CED, a Training Manual that includes a detailed Training and Personnel Development Program and Training Plan;
- B. Ensure that training is provided to HCO Operations staff, staff responsible for maintaining business control documents (policy, procedures, business rules, operations manuals, etc.), professional staff, program delivery persons, and any other classifications the CDHS identifies. Documentation shall be maintained for all training in accordance with the Training section. The Contractor shall plan to train a maximum of fifty (50) the CDHS staff within the Sacramento area. The training provided to the CDHS staff shall be for the purpose of familiarizing those staff with Contractor operations, procedures, and policies. Additionally, the Contractor shall provide training to its outreach staff in each county where the HCO program is operational. When new counties are to be converted to managed care, outreach staff can be trained either in the Contractor's main operating facility, and/or in another operational HCO county.
- C. The Contractor's Takeover Training and Personnel Development Program shall include facility tours for no more than fifty (50) the CDHS -designated personnel. Tours shall be scheduled so as to minimize disruptions to the Takeover staff and HCO Operations.
- D. The Training Plan shall address the training of affected Contractor staff when Contract changes occur. Contract changes are defined in Exhibit A, Attachment II, Section 11.7, HPE System – Change Requirements. The Training Plan shall include, but not be limited to:
  1. A description of the professional background, experience, subject area knowledge, and previous training experience of each of the Contractor's trainers;
  2. The topics to be covered in the Contractor's training. These topics shall include:
    - a. All HCO Enrollment Processes;

- b. Customer Services, including Telephone Call Center, Education and Outreach, and Research;
  - c. Informing Materials, including Development and Production, and Mailing Functions;
  - d. Quality Assurance;
  - e. Problem Correction Process;
  - f. Reports;
  - g. Records Retention;
  - h. Security and Confidentiality;
  - i. Disaster Prevention and Recovery;
  - j. Administrative Support Services;
  - k. Equipment Needed for HCO Operations;
  - l. Medi-Cal Program and population;
  - m. Medi-Cal cultural and population diversity; and
  - n. Medi-Cal Managed Care and Medi-Cal Dental Services.
- 3. A schedule of planned training sessions;
  - 4. The number of staff to be trained per area and per training session;
  - 5. The training methodology – the sessions shall include hands-on training and materials, if appropriate;
  - 6. The evaluation techniques;
  - 7. The length of each training session; and
  - 8. Samples of the materials proposed for each training session.
- E. Training for CDHS staff only shall begin one (1) month after CED. Two (2) weeks after training begins, and every other week thereafter through Takeover, and quarterly throughout the term of the Contract, submit to the CDHS a written Training Progress Report, which details the progress and status of actual training as compared to the Training Plan submitted; and
  - F.** One (1) month prior to Assumption of Operations, submit the first update to the Training Plan that details ongoing and prospective training plans as required in the Training Section.

## **1.7.5 ORGANIZATIONAL STRUCTURE AND PERSONNEL ACQUISITION**

The Contractor shall, two (2) weeks after CED and monthly thereafter throughout the term of the Contract, update the Organizational Structure and Personnel Acquisition Plan presented in the Narrative Proposal.

### **1.7.5.1 ORGANIZATIONAL STRUCTURE**

The Contractor shall provide:

- A. A complete and detailed description of the organizational structure to be used by the Contractor during Takeover and Operations phases.
- B. The total staffing levels by classification, for each phase and each organizational unit and function. The Takeover staffing levels submitted shall correspond to the staffing needs indicated by the Contractor in the TWP. If the staffing levels needed for Takeover vary throughout the Takeover phase, variable levels shall be indicated through a written narrative description, Gantt (or equivalent) chart and Staff Loading Chart, which identify staffing by Takeover task. Additionally, the Organizational Structure section of this plan shall include the following:
  - 1. Organization charts and descriptions showing the location of the HCO Program Contract within the Contractor's overall corporate structure and organization charts and descriptions for all HCO Program operational areas;
  - 2. The functional responsibilities of each organizational unit, the delegation of responsibilities to HCO Program organizational units, organizational decision-making points, and unit staffing by classification; and
  - 3. Complete job descriptions (specifications) for all classifications used within the organization, including job titles, function responsibilities, and educational/experience requirements.

### **1.7.5.2 PERSONNEL ACQUISITION**

The Contractor shall describe the method of recruitment and selection of staff to assume full operation of the HCO Program. In addition to a narrative discussion, the Personnel Acquisition section of the plan shall include a Staff Loading chart and a Gantt (or equivalent) chart showing the proposed hiring schedule. The Personnel Acquisition section shall specifically include the following information:

- A. A chart showing the number of staff to report to work on this Contract by month and classification;
- B. The method of hiring staff, including sources of recruitment and numbers employed, by functional area;
- C. An explanation, including specific actions to be taken, of how the Contractor shall ensure that experienced and trained personnel in sufficient numbers are

available to support all Takeover tasks and begin full HCO Program Operations without interruption of service to beneficiaries, health plans, and the CDHS;

- D. A description of alternative actions, or contingency plans if the Contractor is unable to recruit sufficient numbers of adequately trained staff for each functional or operational area on a timely basis;
- E. A plan for hiring all specialized trained and/or experienced staff, as prescribed throughout the Contract, for such areas as the Telephone Call Center, Presentation Sites, and other critical operational activities. The plan shall provide for hiring staff during Takeover within the time frames required in this Contract; and
- F. A plan for recruiting and transitioning any interested and qualified prior Contractor's employees to this Contract.

#### **1.7.6 PERSONNEL**

The personnel function is to be established and all hiring and training completed at levels at least equal to that described in the Contract and in the Contractor's Organizational Structure and Personnel Acquisition Plan prior to the Assumption of Operations.

##### **1.7.6.1 SCHEDULE**

The Contractor shall:

- A. Submit a chart that details the number of staff needed to fulfill Contract staffing requirements. This chart shall list each organizational unit and position/classification as stated in the Contractor's Organization Chart, followed by the number of staff bid in the Narrative Proposal by position/ classification, then a list of the number of staff hired each month by position/classification.
- B. Submit and implement, upon written CDHS approval, contingency plans if the Contractor is unable to fulfill Contract staffing requirements.
- C. Ensure at Takeover completion that the revised and CDHS approved final version of the Contractor's Organizational Structure and Personnel Acquisition Plan is the official document to be used during Operations. No changes shall be made without prior written approval by the CDHS. The Contractor shall submit the Organizational Structure and Personnel Acquisition Plan to the CDHS by the fifth (5<sup>th</sup>) business day of each month, as an ongoing Contract deliverable throughout the term of the Contract.

##### **1.7.6.2 REPORTS**

The Contractor shall:

- A. Submit to the CDHS for review and approval, two (2) weeks after CED and every other week (biweekly) thereafter for the duration of the Contract, or as agreed to



by the CDHS, a written Hiring Progress Report detailing the status and progress of the actual hiring of personnel as compared with the Organizational Structure and Personnel Acquisition Plan. The report format shall be the same as the chart described in f. 1) above, except that the Hiring Progress Report shall include the names of staff, as well. Names, organizational unit, positions/classifications and numbers of staff who have accepted job offers and the names, organizational unit positions/classifications and numbers of staff who have reported to begin work on the HCO Program Operations shall be reported. Also, this report shall include the names, organizational unit, positions/classifications and numbers of staff who have resigned or were terminated. The first submittal of the Hiring Progress Report shall be subject to the CDHS review and approval for format and content. Following the CDHS's approval of the initial submittal for format and content, subsequent reports shall conform to this approved model;

- B. Provide updates to Organizational Structure and Personnel Acquisition Plan if changes are proposed to the organizational structure during Takeover. These updates shall be submitted to the CDHS five (5) business days prior to such proposed change(s). All changes shall be subject to the CDHS approval prior to implementation; and
- C. Ensure at Takeover completion that the revised and CDHS approved final version of the Contractor's Hiring Progress Report are the official documents to be used during Operations. No changes shall be made without prior written approval by CDHS. The Contractor shall submit the Hiring Progress Report to CDHS by the fifth (5<sup>th</sup>) day of each month, as an ongoing Contract deliverable throughout the term of the Contract.

### **1.7.6.3 HIRING COMMITMENTS**

In those cases where the Contractor is required to have a position(s) filled and a hiring commitment has been made to fill the position(s) with prior Contractor's staff member(s), CDHS shall work with the prior Contractor to establish a transfer date. If necessary, upon written request by the Contractor and written approval by CDHS, CDHS may consider a waiver of the hiring dates required in the Contract on a case-by-case basis.

## **1.8 ASSUMPTION OF OPERATIONS PLAN**

One (1) month following CED the Contractor shall submit to CDHS for review and approval its plan for Assumption of Operations.

The Contractor shall:

- A. Address specific Takeover requirements and provide detailed, step-by-step procedures for each specific Takeover activity to demonstrate how the Contractor proposes to successfully assume complete and full operation of the current HCO Program Operations;

- B. Provide narrative descriptions, supporting documentation and detailed procedures for each activity, an implementation schedule for all areas of HCO Program Operations, and a Gantt (or equivalent) chart to describe the Contractor's overall plan for starting and completing each task and activity associated with the Assumption of Operations process; and
- C. Describe the activities identified in the Assumption of Operations Plan under each of the following Assumption of Operations tasks. Quality assurance procedures are required on all tasks below:

- 1. All HCO Enrollment Processes

The Contractor shall develop and submit for CDHS approval the plan for processing all HCO enrollment forms, including, but not limited to, Medi-Cal Choice Forms and all other remaining enrollment forms, not processed by the prior contractor due to transition of the Contract;

- 2. Staff needed to fulfill Contract requirements, and contingency plans if the Contractor is unable to fulfill Contract staffing requirements.

The Contractor shall develop and submit for CDHS approval staffing levels, then implement hiring of staff and utilize contingency plans, if necessary upon written CDHS approval, for all HCO Program Operations. The contingency plans shall describe the actions the Contractor will take if it is unable to meet contractual staffing requirements.

- 3. Education and Outreach Activities

- a. Negotiating new and/or assuming current Presentation Site agreements; and
- b. Assessing and arranging for all Presentation Sites to be fully operational, to include HCO informing materials, as well as furniture, phones and other equipment as needed.

- 4. Two (2) -Way Data Sharing and Maintenance of the Medi-Cal Eligibility Data maintained by CDHS Information Technology Services Division (ITSD)

- a. Testing of two-way sharing of eligibility data with the California Department of Health Services, (ITSD);
- b. Exchanging processing information and data with the prior Contractor;
- c. For testing purposes, uniquely identifying Contractor versus prior Contractor file information for reporting purposes; and
- d. Producing accurate documentation for reports.

- 5. Communication Processes with Health Plans, Fiscal Intermediaries, and CDHS staff

- a. Establish retrieval and/or information sharing method(s) and protocols for data receipt or exchange of information; and
  - b. Testing of retrieval and information sharing
6. Transfer of existing records and history files, and transfer and utilization of current inventory (e.g., CDHS -owned/leased computers and related CDHS equipment, furniture, telephones, HCO informing materials, etc.);
7. Assumption of processing of applicant, beneficiary and other interested parties' inquiries and grievances;
8. Assumption of Mailing Functions;
9. Assumption of Fulfillment Functions;
10. Implementing Records Retention responsibilities;
11. Implementing Security and Confidentiality responsibilities;
12. Implementing Disaster Prevention and Recovery responsibilities;
13. Implementing Quality Assurance responsibilities;
14. Producing required Reports;
15. Transfer of all Post Office box(es) and postage accounts from the prior Contractor at the end of the prior Contractor's Operations period;
16. Transfer of all Telephone Call Center toll-free telephone lines; and
17. Update Conflict of Interest Statement, Questionnaires and Avoidance Plan.

## **1.9 FACILITIES**

### **1.9.1 FACILITIES ACQUISITION AND INSTALLATION PLAN**

The Contractor shall submit an updated and more detailed Facilities Acquisition and Installation Plan to CDHS for review and approval three (3) weeks after CED, which details the planned usage of space for the Contractor's manual and automated HCO Program Operation activities related to the enrollment process, provision of space for CDHS on-site staff during both Takeover and on-going HCO Program Operations, and provision of space for all equipment and informing materials.

The Facilities Acquisition and Installation Plan shall include narrative descriptions, supporting documentation, installation schedule and a Gantt (or equivalent) chart detailing the installation schedule. The plan shall provide information that includes, but is not limited to:

- A. The location of the Contractor's main operating facility. This Contract requires that the Contractor's main operating facility, temporary as well as permanent, be located within a thirty (30)-mile radius (as determined by freeway access) of the California CDHS Capitol Building in Sacramento;
- B. The extent to which the Contractor's main operating facility is currently under lease or ownership and/or planned to be leased or bought. If the facility is not currently under lease or ownership, the Contractor shall, at a minimum, provide a guaranteed lease option on the facility including the name, address, and telephone number of the leasing or selling agent for contact by CDHS;
- C. A description of the facility(ies) it currently has in the Sacramento area for use in HCO Operations, if any, and what facility space, and for what functions, it must obtain and/or finalize development. A temporary main operating facility shall be obtained by the Contractor, if necessary, and be available for occupancy by CDHS and Contractor staff two (2) weeks after the CED. Any change in main operating facility location from that which the Contractor specified in its Narrative Proposal shall be subject to prior written approval by CDHS; and
- D. A description of the modifications that must be made to the permanent and temporary, if utilized, main operating facility, a schedule for completing those modifications, and the actions taken by the Contractor to ensure that this schedule is met. This description shall address at a minimum:
  - 1. Installation of anything that is in addition to standard office space;
  - 2. Installation of telecommunications (both data and voice) lines;
  - 3. Major facility installation milestones;
  - 4. Americans with Disabilities Act (ADA) requirements.
  - 5. Installation of raised floors in server rooms;
  - 6. Installation of special computer electrical equipment;
  - 7. Installation of computer air conditioning and cooling systems; and
  - 8. Installation of special fire systems that will not damage electronic equipment.
- E. A certification that the Contractor has verified that electrical, telecommunications, and telephone service can be provided to the Contractor's main operating facility and on-site CDHS offices in order to adequately support HCO Program Operations;
- F. The interdependencies with other Takeover tasks and contingencies for problems and delays. The Contractor shall describe how it will utilize space to support Takeover activities including any temporary space needed for Contractor and CDHS staff and how required space will be handled for each Takeover task;

- G. Allocated space by function, including CDHS space;
- H. Accessibility to on-site Operations;
- I. Access to telephone, and electrical power and network connection;
- J. A description of available parking, including CDHS (management and staff), Contractor (management and staff), visitor and disabled reserved parking spaces; and
- K. A description of the regional Presentation Sites proposed for this Contract and the Contractor's schedule for their occupation.

### **1.9.2 SET-UP**

Utilizing the Facilities Acquisition and Installation Plan, the Contractor's permanent main operating facility and regional Presentation Sites shall be completely operational two (2) weeks prior to the Assumption of Operations. Until the permanent main operating facility is installed, Takeover activities may take place in a temporary main operating facility.

#### **A. Temporary Main Operating Facility**

- 1. The temporary main operating facility, with sufficient space to perform Takeover activities, including all testing and staff training responsibilities, is to be located within a thirty (30)-mile radius (as determined by freeway access) of the California State Capitol Building in Sacramento. Subcontractors are not subject to the thirty (30)-mile radius requirement;
- 2. All CDHS liaison and planning activities shall take place in Sacramento; and
- 3. The Contractor shall comply with all requirements as defined in the provision of HCO Operations for up to forty (40) permanent CDHS staff and temporary space available for ten (10) CDHS Takeover and Acceptance Testing staff, two (2) weeks after CED.

#### **B. Permanent Main Operating Facility**

- 1. The Contractor shall obtain a permanent facility, with sufficient space to perform all Takeover activities including all testing and staff training responsibilities and activities, within a thirty (30)-mile radius (as determined by freeway access) of the California State Capitol Building in Sacramento to perform the HCO Program operations. Subcontractors are not subject to the thirty (30)-mile radius requirement;
- 2. All CDHS liaison and planning activities shall take place in Sacramento;
- 3. The permanent facility, including all CDHS space, shall be completely operable two (2) weeks prior to Assumption of Operations;

4. The Contractor shall comply with all requirements as defined in the provision of HCO Operations for up to forty (40) permanent CDHS staff and temporary space available for ten (10) CDHS Takeover and Process Acceptance Testing staff, two (2) weeks after CED.
5. CDHS staff shall be able to move into the Contractor's permanent main operating facility at the same time as the Contractor's staff.

## **1.10 DATA FILES**

### **1.10.1 DATA FILE LAYOUT DESCRIPTIONS MANUAL**

The Contractor shall create and maintain through the term of the Contract a Data File Layout Descriptions Manual, to be submitted to CDHS for review and written approval one (1) month after CED, in which every data file in the HPE System shall be defined. The documentation shall include a narrative of the file including the purpose, logical function, and processing intent. A brief narrative describing each record type and a schematic of all record types shall be included.

### **1.10.2 DATA FILE INSTALLATION PLAN**

The Contractor shall submit a Data File Installation Plan to CDHS for review and approval three (3) weeks after CED. The plan shall, at a minimum, describe:

- A. Installation dates for each file;
- B. Availability of computer hardware and system software to enable installation;
- C. Storage media for files;
- D. Interdependencies with other Takeover tasks and contingencies for problems or delays. This shall include the files needed to support each Takeover task, including System Testing, Acceptance Testing and the various components of the HCO Program Operations;
- E. Procedures for installation of files, including file conversions and considerations for files with additional history during Takeover; and
- F. Procedures for generating files for transmittal to CDHS and other entities.

### **1.10.3 INSTALLATION OF DATA FILES**

Testing files will be made available to the Contractor for testing prior to the required installation date. Communication protocols, line configuration, communication software, etc. shall be determined by CDHS during Takeover. Utilizing the Data File Installation Plan, the Contractor shall:

- A. Accept, install, and utilize CDHS supplied files or production files for Acceptance Testing;

- B. Install all files necessary to assume HCO Program Operations and systems, no later than three (3) business days after receipt of same by the Contractor. A complete listing of all files to be installed is available in the Data Library;
- C. Install and update the following specific files which require special consideration prior to the startup of HCO Program Operations' processing functions;
  - 1. Accept MEDS transactions one (1) month prior to Assumption of Operations. The Contractor shall receive MEDS data through a link to Department of Technology Services (DTS);
  - 2. Accept and install the history files from the prior Contractor prior to the Assumption of Operations, as well as receive and process weekly updates from the prior Contractor until the end of the prior Contractor's Contract;
  - 3. Maintain its own history files beginning with Assumption of Operations; and
  - 4. Accept and install all data files and records of all enrollments and disenrollments authorized by the prior Contractor, immediately prior to Assumption of Operations and utilize this file for editing new enrollment and disenrollment requests to avoid duplicates after Assumption of Operations.

For all of the above files, the Contractor shall submit appropriate reports to CDHS in compliance with the requirements of Exhibit A, Attachment II, Section 6, Reports.

#### **1.10.4 DATA FILES DURING ASSUMPTION**

Various files, as described in the Systems section, shall be transferred from the prior Contractor for use in this Contract. Installation of these files shall occur within three (3) business days after receipt by the Contractor. The Contractor shall:

- A. Update or merge newly transferred files with prior files that the Contractor has already installed and has been maintaining;
- B. Process any residual enrollments, disenrollments and exception request forms transferred at the end of the prior Contractor's Contract;
- C. Accept and install all files that CDHS may designate as part of the responsibilities of the assumption of the residual inventories from the prior Contractor; and
- D. Transfer and maintain all weekly, monthly, and yearly history files in order to maintain complete records and have the files readily accessible to re-create history.

#### **1.11 INFORMING MATERIALS**

##### **1.11.1 MATERIALS DEVELOPMENT AND PRODUCTION, AND MAILING FUNCTIONS PLAN**

The Contractor shall submit to CDHS for review and approval a Materials Development and Production, and Mailing Functions Plan three (3) weeks after CED. The plan shall:

- A. Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt (or equivalent) chart demonstrating how Takeover responsibilities for materials development, production and mailing functions shall be performed;
- B. Describe, in detail, the Contractor's procedures, tasks, activities, space and facilities plan, and staffing for all materials development and production, and mailing functions, to ensure Contractor and/or subcontractors' compliance with Contract requirements; and
- C. Identify anticipated problems (including staffing), and include a CDHS approved contingency plan for each identified problem. The Contractor shall follow the contingency plan(s) in the event staffing during Takeover proves inadequate for the Contractor and/or subcontractors to meet all of its contractual requirements.

#### **1.11.2 DEVELOP AND PRODUCE, AND MAIL INFORMING MATERIALS**

Utilizing the Materials Development and Production, and Mailing Functions Plan requirements in Exhibit A, Attachment II, Section 3, Informing Materials, the Contractor shall:

- A. Be fully staffed and operational three (3) months prior to the Assumption of Operations. Fully operational is defined as being able to meet all Takeover requirements, as well as the requirements in Exhibit A, Attachment II, Scope of Work, of this Contract.
- B. Demonstrate the ability to develop and/or print and/or mail all HCO informing materials at least two (2) months prior to Assumption of Operations.
- C. Have a sufficient supply of all HCO informing materials, as required in Exhibit A, Attachment II, Section 3, Informing Materials, to perform all HCO Program Operations no later than one (1) month prior to Assumption of Operations.

#### **1.12 CUSTOMER SERVICES**

##### **1.12.1 CUSTOMER SERVICE PLAN**

The Contractor shall submit to CDHS for review and approval a Customer Service Plan two (2) weeks after CED. This plan shall:

- A. Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt (or equivalent) chart demonstrating how Contractor shall prepare during Takeover to meet the HCO Program Operations responsibilities of customer assistance;



- B. Describe, in detail, the Contractor's procedures, tasks, activities, space and facilities plan, and staffing for all Customer Services functions, to ensure Contractor compliance with all Contract requirements; and
- C. Identify anticipated problems (including staffing), and include a contingency plan for each identified problem. The Contractor shall follow the contingency plan(s) in the event staffing during Takeover proves inadequate for the Contractor to meet all of its contractual requirements.

#### **1.12.2 SET-UP CUSTOMER SERVICE FUNCTIONS**

Utilizing the Customer Service Plan, the Contractor shall:

- A. Ensure all customer service functions (including telephone assistance, Presentations Sites, and research assistance) are adequately staffed at the Assumption of Operations to meet all contractual requirements;
- B. Ensure all necessary telecommunication systems, equipment and TCC toll-free telephone lines are installed and fully operational one (1) month prior to Assumption of Operations;
- C. Develop processes and documentation for answering applicant, beneficiary, and other interested party inquiries, including after hours telephone call messages, and handling beneficiary grievances and/or complaints by the Assumption of Operations; and
- D. Submit a written request for CDHS review and approval of all proposed Presentation Sites thirty (30) business days prior to their proposed use.

#### **1.13 POLICY AND PROCEDURES MANUALS**

This Section describes Policy and Procedures manuals that must be updated and revised, or where necessary developed by the Contractor. Manuals containing existing policy and procedures are available in the Data Library. CDHS shall review and approve all manuals and revisions to manuals throughout the term of the Contract.

##### **1.13.1 UPDATES**

The Contractor shall:

- A. Throughout the term of the Contract be responsible for updating all HCO Program Operations documentation including all Policy, Procedures and operating manuals as changes occur;
- B. Submit all revisions to CDHS for review and approval;
- C. Distribute one copy of each revision(s) to each of CDHS's manual(s) users at no additional cost to CDHS once CDHS has given final approval to the updates; and

- D. Be responsible for implementing the new and/or updated procedures. All HCO Program Operations Policy and Procedures manuals must be submitted for written CDHS approval no later than two (2) months prior to Assumption of Operations.

### **1.13.2 POLICY AND PROCEDURES MANUALS INSTALLATION PLAN**

One (1) month following the CED, the Contractor shall submit to CDHS, for review and approval, a Policy and Procedures Manuals Installation Plan. The plan shall provide for a review of each existing procedures manual to determine:

- A. If the manuals are appropriate for the Contractor's operation of all functions relating to the HCO Program Operations;
- B. If the existing policy and procedures enable the Contractor to accomplish all contractual responsibilities;
- C. If any modification of existing, development of new, and/or consolidation of existing Policy and Procedures Manuals is necessary; and
- D. Which manuals meet requirements of this Contract and which manuals require modification or updates. Submit detailed examples and lists of each that require revisions.

Include narrative descriptions, detailed procedures, an implementation schedule, and a Gantt (or equivalent) chart of the Contractor's plan in which all manuals are submitted for written CDHS approval two (2) months prior to Assumption of Operations.

### **1.14 REPORTS DISTRIBUTION LIST**

The Contractor shall, at a minimum, meet all the requirements as specified in Exhibit A, Attachment II, Section 6, Reports. The Reports Distribution List shall be submitted for CDHS review and approval no later than two (2) months prior to Assumption of Operations. The Contractor shall install CDHS-approved Reports Distribution Lists one (1) month prior to Assumption of Operations.

#### **1.14.1 REPORT USERS MANUALS**

The Contractor shall submit the Report Users Manuals for CDHS review and approval three (3) months prior to Assumption of Operations. CDHS approved manuals shall be made available by the Contractor one (1) month prior to Assumption of Operations.

The Contractor shall update or develop, as necessary, the Report Users Manuals, for all HPE Operations and/or reports.

These manuals shall be developed and/or updated incorporating all General responsibilities as they relate to reports, as addressed in this Takeover Requirements Section and as specified in Exhibit A, Attachment II, Section 6,

Reports, along with the Reports Users Manuals that were developed by the prior Contractor.

#### **1.15 SECURITY AND CONFIDENTIALITY PLAN**

The Contractor shall submit to CDHS for review and approval a Security and Confidentiality Plan, within one (1) business day after CED. The plan shall meet the requirements as specified in the Security and Confidentiality Section. The Contractor shall:

- A. Implement the Security and Confidentiality Plan two (2) weeks after CED; and
- B. Treat all data supplied by CDHS during Takeover, Assumption of Operations and Operations as confidential, subject to protection identified in the Security and Confidentiality Plan.

#### **1.16 DISASTER PREVENTION AND RECOVERY PLAN**

The Contractor shall update and submit for CDHS review and approval the Disaster Prevention and Recovery Plan no later than four (4) months prior to Assumption of Operations. This plan shall incorporate, but not be limited to, the Disaster Prevention Procedures and Disaster Back-Up and Recovery Procedures, as well as all requirements described in the Disaster Prevention and Recovery Section. The Contractor shall:

- A. Ensure that any storage of back-up operating instructions, procedures and reference files shall begin one (1) month after CED;
- B. Adapt to local, CDHS and federal regulations to ensure the protection and recovery of all data, facilities and equipment associated with HCO Operations in the event of a disaster
- C. Mitigate the potential for loss of data, facilities and equipment during emergencies or disasters by developing and maintaining a Disaster Prevention and Recovery Plan outlining the policies and procedures to be adhered to in all HCO Operations facilities to ensure safe and secure work environments as well as the procedures to use in the event a disaster occurs
- D. Procedures for updating off-site materials shall be submitted to CDHS for review and written approval four (4) months prior to Assumption of Operations; and
- E. Identify a back-up facility(ies) that can process all HCO Program Operations Requirements four (4) months prior to Assumption of Operations. This facility(ies) shall meet all Contract requirements as stated in the Disaster Prevention and Recovery Section.

#### **1.17 QUALITY ASSURANCE**

##### **1.17.1 QUALITY ASSURANCE PLAN**

The Contractor shall update and submit for CDHS review and approval the Quality Assurance Plan, no later than four (4) months prior to Assumption of Operations. This plan must meet all the requirements described in the Quality Assurance Section, as well as demonstrate Contractor performance for all quantitative and qualitative standards as defined in the Contractor's Narrative Proposal. The plan shall also include a comprehensive list of all areas to be monitored as required by the Contract, and identify each area as either a "key" area or "non-key" area, the sampling and compliance testing methodology for each area and the sampling methodology for drawing a random sample of non-key areas to be monitored and/or compliance tested each month.

#### **1.17.2 QUALITY ASSURANCE STANDARDS PROCEDURES MANUAL**

The Contractor shall submit for CDHS review and approval the Quality Assurance Standards and Procedures Manual, no later than two (2) months prior to Assumption of Operations. The procedures and standards described in the manual shall be implemented no later than one (1) month prior to Assumption of Operations. This manual shall incorporate the detailed procedures for all requirements described in the Quality Assurance Section.

#### **1.18 PROBLEM CORRECTION TRACKING PLAN**

The Contractor shall develop a Problem Correction Tracking process for submission to CDHS for review and approval no later than three (3) months prior to Assumption of Operations.

CDHS shall have full access to this process, which shall be used by the Contractor to provide all initial Problem Statement information and shall be used as a method to document the status of all Problem Statements (PS) to final resolution. The process will allow for the Problem Correction Tracking Report to be produced on a weekly, monthly, and on-demand schedule regarding all PSs tracked by the Problem Correction Process. The report shall be designed so it can be provided by agreed upon criteria or by any or all reporting elements listed on the report. This report shall follow a similar format as the sample report provided in the Data Library.

The Problem Correction Tracking Report shall be designed using the same phases and deliverables used by Exhibit A, Attachment II, Section 11.7 – Change Requirements. All reports shall meet the requirements of Exhibit A, Attachment II, Section 6, Reports.

#### **1.19 SYSTEMS GROUP ORGANIZATION AND PROCEDURES**

The Contractor shall:

- A. Submit for CDHS review and approval the System Group (SG) Organization Charts and Procedures Manual three (3) months prior to Assumption of Operations. This manual shall completely describe the procedures the Contractor shall follow for implementing the requirements as described in Exhibit A, Attachment II-Section 11.7, Change Requirements;

- B. Ensure the SG is fully staffed and operational one (1) week prior to Assumption of Operations; and
- C. Using the SG deliverables, the Contractor shall develop and submit for CDHS review and approval prior to SG staffing, and SG tracking reports that shall allow CDHS to control projects. The reports shall be designed using the same phases and deliverables used in the Exhibit A, Attachment II-Section 11.7.1, System Development Phase Responsibilities. All reports shall meet the requirements described in Exhibit A, Attachment II-Section 6, Reports.

## **1.20 RECORDS RETENTION**

### **1.20.1 RECORDS RETENTION PROCEDURES PLAN**

The Contractor shall submit the Records Retention Procedures Plan for CDHS review and approval no later than three (3) months prior to Assumption of Operations. This plan shall describe the procedures to be followed in order to execute the Contractor's record retention responsibilities as required in Exhibit A, Attachment II, Section 8, Records Retention and Retrieval. At a minimum, this plan shall include:

- A. A description of the Contractor's procedures to ensure the preservation, protection, and maintenance of all HCO Program records that are a part of, or result from, HCO Program Operations under this Contract or have been transferred to the Contractor;
- B. The procedures the Contractor shall undertake to ensure the replication of acceptable copies of HCO Program records, in the format agreed upon by CDHS;
- C. A description of the procedures the Contractor shall utilize to provide access, retrieval, review and certification of HCO Program records. This portion of the Contractor's plan shall describe the design and compilation of a Master Index to assist in the location and retrieval of records; and
- D. The name of the specific office or position within the Contractor's organization that shall be responsible for executing the Contractor's records retention responsibilities.

### **1.20.2 IMPLEMENTATION OF RECORDS RETENTION FUNCTION**

The Contractor shall:

- A. Implement its record retention responsibilities and perform the responsibilities of custodianship of the HCO Program records immediately upon the Assumption of Operations. A complete description of these responsibilities is contained in Exhibit A, Attachment II, Section 8, Records Retention and Retrieval;
- B. Submit to CDHS for review and approval a copy of the Master Index for HCO records no later than one (1) month prior to Assumption of Operations. The

Master Index shall list, at minimum, all items under the custodianship of the Contractor, their volume, their medium, and whether they are complete in terms of the period of time required as described in Exhibit A, Attachment II, Section 8, Records Retention and Retrieval;

- C. Submit proposed Document Management Process specifications to CDHS for review and approval one (1) month prior to Assumption of Operations;
- D. Prepare and submit to CDHS for review and approval a copy of the Records Retention and Retrieval Policy and Procedures Manual no later than four (4) months prior to Assumption of Operations; and
- E. Develop and submit to CDHS for review and approval a Records and/or Files Summary to include a brief description of all records and/or files maintained during this Contract. The first Records and/or Files Summary shall be submitted to CDHS at Assumption of Operations. The summary shall be maintained, updated, produced, and resubmitted to CDHS for review and approval on a quarterly basis thereafter, throughout the term of the Contract.

## **1.21 FINANCIAL MANAGEMENT**

The Contractor shall:

- A. Submit the Financial Management Manual for CDHS review and approval one (1) month after CED. The manual shall meet the requirements described in the Accounting Requirements in Exhibit E, Additional Provisions. The manual shall include the accounting procedures and processes to meet the Accounting Requirements of Exhibit E, Additional Provisions. These procedures and processes shall also classify expenses by Takeover, Scope of Work, Enhancements, Additional Contractual Services, Change Orders, Hourly Reimbursement, Cost Reimbursement and Turnover. Each of these major classifications of expenses shall be further broken down by:
  - 1. Personnel time reporting;
  - 2. Ordering and paying for goods and services;
  - 3. Cost accounting services;
  - 4. Allocation of the portion of corporate expenses totally dedicated to this Contract; and
  - 5. Accounting ledgers.
- B. Submit a Cost Reimbursement Plan for CDHS review and approval three (3) months prior to Assumption of Operations. This plan shall include, at a minimum, a narrative of the Contractor's activities in cost reimbursable areas during Takeover, Operations and Turnover, and the information specified in Special Payment Provisions; and

- C. Submit updated specifications and report layouts for both the Estimated Expenses and Actual Expenses Reports for CDHS review and approval three (3) months after CED, as specified in Accounting Requirements in Exhibit E, Additional Provisions.

## **1.22 OTHER ADMINISTRATIVE PROCEDURES**

The Contractor shall develop any and all administrative procedures required for Takeover of the Contract and to perform HCO Program Operations. These include, but are not limited to, such areas as budgeting and financial issues, personnel, and computer operations. All administrative procedures required for Assumption of Operations of the HCO Program shall be submitted for CDHS review and approval no later than two (2) months prior to Assumption of Operations.

## **1.23 DATA DICTIONARY USERS GUIDE**

The Contractor shall submit to CDHS for review and approval prior to Acceptance Testing the Data Dictionary Users Guide. The Users Guide shall be oriented toward users of the Data Dictionary, and shall describe, at a minimum, the following:

- A. The operation and capabilities of the Data Dictionary;
- B. Information available to users of the Data Dictionary, and how users access and retrieve this information;
- C. Examples and explanations of screens encountered by users;
- D. Information regarding additional assistance available from the Contractor to users during online sessions;
- E. Glossary and a brief explanation of all commands; and
- F. Interaction of the Data Dictionary with the rest of the HPE System.

The Data Dictionary Users Guide shall completely describe the Contractor's practices and procedures in updating and maintaining the Data Dictionary, as required in System Development Guidelines in Exhibit A, Attachment II-Section 11.7.1.

The activities required to install the Data Dictionary electronically shall be incorporated into the Software Installation and the File Installation Plans.

## **1.24 SYSTEMS TESTING**

### **1.24.1 SYSTEMS TESTING PLAN**

The Systems Testing Plan shall be updated and submitted for CDHS review and approval one (1) month after the CED and shall describe the method(s) of testing all manual and automated segments of the HCO Program Operations as well as scheduled testing dates. Systems testing of the HCO Program Operations shall

progressively test each program as well as the collective system integrating all parts of the system.

The Contractor's Systems Testing Plan shall:

- A. Clearly define, uniquely identify, and independently schedule each testing to be performed;
- B. Define Systems Testing documentation standards; provide for inclusion of initial and subsequent testing results and storage of all testing documentation in a central location in a manner easily accessible and retrievable by CDHS monitoring staff;
- C. Relate testing to the HPE System design documentation and overall Contract requirements;
- D. Review manual, administrative support, and operating procedures with direct links to the HPE System. Validate Quality Management System procedures for setting accuracy and error levels and for monitoring compliance;
- E. Define the methodologies and procedures for identifying and tracking areas of unacceptable performance and the Corrective Action Process(es) (CAP) applied to deficiencies. These methodologies and procedures shall include steps for CDHS review and approval during the problem identification/tracking and CAP, and provisions for daily written notification to CDHS when problems are identified;
- F. Identify the number, classification, and names of key staff responsible for each testing, including Contractor staff responsible for communication with CDHS during Systems Testing;
- G. Include actual testing scenarios along with expected results; and
- H. Specify the criteria the Contractor will use in determining the completion of each Systems Testing activity.

#### **1.24.2 SYSTEMS TESTING RESPONSIBILITIES**

The Contractor, with the participation of CDHS staff, shall execute the Systems Testing Plan, make corrections, and keep CDHS informed on the status of all tasks and activities identified in the plan. The Contractor shall provide office space for up to six (6) CDHS staff during Systems testing (see Exhibit E, Additional Provisions and Exhibit A, Attachment II, Section 11, HPE Systems).

The Contractor shall:

- A. Prepare for systems testing activities, to include but not limited to:
  - 1. Create testing files with predetermined sets of data to ensure proper testing of all testing scenarios;



2. Install system software and hardware; and
  3. Prepare and install HPE System and supporting processes.
- B. Test all aspects of the HCO Program Operations, to include but not limited to:
1. Validate all system programs to conform to specifications, Contract requirements and Exhibit A, Attachment II-Section 11.5, General System Design.
  2. Validate that processing cycle times meet CDHS requirements;
  3. Test system performance and system capacity;
  4. Verify that online response times meet CDHS requirements;
  5. Execute steps of the HCO system process to verify operating procedures and Contract requirements; and
  6. Test all HPE System reports and output.
- C. Develop and conduct parallel testing of HCO Program Operations and HPE system processing functions that parallel the prior Contractor's processing functions. Testing shall be conducted during Systems Testing and CDHS Acceptance Testing Phase of Takeover.
- D. Simulate disaster conditions and execute recovery procedures, including availability and use of the backup facility(ies) to test the Disaster Prevention and Recovery Plan;
- E. Monitor and report testing results to CDHS, to include:
1. Execution of all other procedures supporting the system functions. This includes, but is not limited to, input preparation, data entry, control functions, enrollment and exemptions processing, and customer service functions;
  2. Conduct weekly status meetings with CDHS to discuss overall status as well as identify areas of unacceptable performance, corrective action(s) to be taken; and areas where performance is acceptable; and
  3. Conduct walkthroughs and submit documentation showing the Contractor's results of each testing scenario. Additional documentation and related materials requested by CDHS shall be submitted no later than one (1) business day after the request.
- F. Send a written Contractor certification to CDHS prior to CDHS Acceptance Testing indicating the following:
1. Certifying the preparedness to begin full HCO Program Operations based on the successful completion of Systems Testing; and

2. Submit a report detailing Systems Testing results to support the readiness of HCO Program Operations for CDHS Acceptance Testing.
- G. Completion of Systems Testing is subject to CDHS review and approval. If CDHS does not approve the Systems Testing results, the Contractor shall continue its System Testing as directed by CDHS.
- H. The Contractor may continue its Systems Testing after the date of Contractor Certification to CDHS of readiness for CDHS Acceptance Testing, and/or the date of written CDHS approval of Contractor completion of Systems Testing. Any changes made by the Contractor shall be identified, systems tested following the rules and guidelines of this Section, and moved into Acceptance Testing after approved by CDHS.
- I. Using the Problem Correction System (PCS), fully document all deficiencies found, by the Contractor and/or CDHS, during and after the installation of the HPE System and/or Systems Testing. CDHS shall determine whether a deficiency exists and, if so, whose responsibility the deficiency is and how the deficiency is to be corrected.
  1. If the deficiency is determined to be CDHS's responsibility;
    - a. CDHS shall determine whether the Contractor can implement the corrected change; and
    - b. If it is determined that the Contractor can correct the deficiency for which CDHS is responsible, the work shall be performed by the SG and shall be billable to CDHS. The Contractor shall correct all known HCO Program Operations deficiencies prior to completion of Systems Testing.
  2. If the deficiency is determined not to be CDHS responsibility, the Contractor shall perform the work to correct said deficiency and shall not bill CDHS for the work performed.
- J. Upon completion of Systems Testing, the Contractor shall accept the HCO Program Operations "as is" and shall be responsible thereafter for any pre-existing deficiencies.

#### **1.25 ACCEPTANCE TESTING**

Prior to Acceptance Testing, the Contractor shall resolve inconclusive and/or incomplete areas of System Testing identified by CDHS. CDHS's Acceptance Testing will place emphasis on the proficiency of the Contractor's staff in performing HCO Program Operations including both automated and manual procedures, and on the adequacy of the Contractor's computer resources to conduct all HCO Program functions. Assumption of Operations shall not be permitted until CDHS approves, in writing, completion of Acceptance Testing.

The Contractor shall execute all Acceptance Testing as directed by CDHS. Acceptance Testing of processes shall be comprehensive to accomplish the following objectives:

- A. Ensure the transferred HCO Program Operations and processes are in accordance with Contractual requirements and that any differences between the Contractor's results and the results from the existing incumbent system can be explained as a higher level of compliance with these requirements;
- B. Ensure that integrity has been maintained with regard to established standards and acceptable data processing techniques;
- C. Ensure a smooth transition of all HCO Program Operations at Assumption of Operations while ensuring that the transition remains transparent to health plans, beneficiaries, applicants and system users;
- D. Ensure that the Contractor's operation of the HCO system functionality is ready for processing at Assumption of Operations; and
- E. Identify where the HCO Program Operations do not conform to program policies and procedures in order to ensure correction of any system deficiencies.

#### **1.25.1 ACCEPTANCE TESTING SUPPORT PLAN**

The Contractor shall submit an Acceptance Testing Support Plan to CDHS for review and approval three (3) months after CED. The plan shall:

- A. Accommodate at least eight (8) business days for CDHS Acceptance Testing and other requirements included in CDHS's plan;
- B. Describe the Acceptance Testing Support Plan that the Contractor shall provide to CDHS. For each testing described below, the Contractor resources allocated to the testing shall include staffing by organizational unit, computer hardware, and support equipment;
- C. Include a full description of how the Contractor shall perform and fulfill its backup and recovery responsibilities in compliance with all requirements of this Contract;
- D. Define the methodologies and procedures for tracking areas of unacceptable performance and the corrective action process(es) applied to deficiencies. These methodologies and procedures shall include steps for CDHS review and approval during the problem tracking and Corrective Action Processes (CAP), and provisions for daily written notification to CDHS when problems are identified; and
- E. Describe the process and schedule for conducting the final parallel testing.

#### **1.25.2 ACCEPTANCE TESTING RESPONSIBILITIES**

Acceptance Testing shall occur prior to Assumption of Operations with enough time to provide CDHS at least eight (8) business days for testing as well as to certify the results of testing and preparation of system implementation. Acceptance Testing shall follow completion of Systems Testing, certification by the Contractor that the HCO Program Operation is ready for Acceptance Testing, and CDHS review of the Contractor's System Testing results. The Contractor shall continue to provide office space for six (6) on-site CDHS staff during Acceptance Testing.

During Acceptance Testing, the Contractor shall conduct its second of two (2) parallel testings of the HCO Program Operations and HPE System with the prior contractor. The results of the testing shall be submitted to CDHS for review and approval and shall serve as input to CDHS's Acceptance Testing decisions on Contractor readiness to assume full operation of the HCO Program Operations. If either or both of the parallel testing fail to show the Contractor is capable of processing with the same results as the prior contractor or if the Contractor encounters problems, the testing(s) shall be rerun until CDHS approves in writing the results.

The Contractor shall:

- A. Review CDHS's Acceptance Testing Plan as well as their plan to ensure all elements of the facility(ies), staff, hardware, software, and other resources required for Acceptance Testing are operational and ready.
- B. Provide a separate Testing Unit to provide ongoing testing capabilities and support to CDHS, for both the period of Acceptance Testing and for the period of ongoing operations under the Contract. This Testing Unit shall include all necessary resources to support such a unit including, but not limited to, adequate hardware, software, physical facility(ies) and knowledgeable personnel.
- C. Perform Acceptance Testing functions as directed by CDHS within the time frames established by CDHS. The Contractor shall maintain open communication with CDHS during testing, and shall provide walk-throughs to CDHS staff on specified testing, upon request.
- D. Submit to CDHS for review and approval all Acceptance Testing documentation, including files, reports and individual enrollment, disenrollment and exemption data necessary to validate testing results. These materials shall be submitted to CDHS no later than one (1) business day following testing execution. The Contractor shall submit to CDHS a list of such testing documentation each week.
- E. Respond to and correct all problems identified by CDHS as a result of the Acceptance Testing within twenty-four (24) hours of notification. The Contractor shall repeat Acceptance Testing until criteria defined by CDHS are met and satisfied;
- F. Maintain the Acceptance Testing environment to reflect those of the production environment. These Acceptance Testing files, programs, etc., will be used to conduct Acceptance Testing of all system changes that occur during the HCO Program Operations period of this Contract.

- G. For the entire Takeover Acceptance Testing period as well as the HCO Program operations period of the Contract:
  - 1. Provide a separate testing environment for Acceptance Testing purposes;
  - 2. Create and maintain testing history files for Acceptance Testing purposes only;
  - 3. Specify migration schedule for program “fixes” from the System Testing environment to the Acceptance Testing environment and migrate only after CDHS review and written approval; and
  - 4. Create and maintain Acceptance Testing access to MEDS and other support files according to CDHS direction.
- H. Ensure all Acceptance Testing on manual and automated segments of the Contractor’s operation shall be performed thoroughly with the same equipment to be used for full HCO Program Operations.
- I. Ensure that Contract staff with appropriate classifications and training to support testing shall be in place prior to the start of Acceptance Testing. Contractor management and technical staff may not be used for manual operations processing activities.
- J. Perform volume, stress and parallel testing as directed by CDHS, to demonstrate the ability to process expected HCO Program workloads accurately within prescribed time frames.
- K. Where appropriate, ensure testing shall be scheduled concurrently so that Acceptance Testing can progress more rapidly.
- L. Ensure that CDHS staff shall have access to all HPE Program facility(ies), equipment, software, files, and other materials covered by this Contract, in support of any tasks related to testing. Such access shall include the use of on-line terminals to access any system related data.
- M. Assume and submit its bid based on CDHS relying heavily upon the parallel testing and a detailed analysis of the results by the Contractor and minimal CDHS submission of testing data.

### **1.25.3 ACCEPTANCE TESTING - CDHS RIGHTS**

During Acceptance Testing, CDHS reserves the right to:

- A. Take the primary role in the evaluation of Acceptance Testing. The Contractor shall participate in the evaluation as directed by CDHS. The evaluation process will compare expected results against the actual testing results. Any problems found during testing shall be resolved as described in this Takeover Section.

- B. Reduce the scope of Acceptance Testing if the Contractor can adequately demonstrate preparedness for Assumption of Operations, or expand levels of testing where CDHS determines additional testing is needed.
- C. Continue testing and monitoring until all testing System Variance Reports (SVRs) identified during Acceptance Testing have been resolved. The Contractor shall provide all necessary support. All deficiencies are to be corrected by the Contractor.
- D. CDHS may continue testing the system and processes after the Assumption of Operations in order to identify and ensure correction of any remaining deficiencies, or as part of CDHS's ongoing monitoring of the SG testing. Upon completion of the Takeover Acceptance Testing, the Contractor shall maintain and make those testing files available to CDHS staff for Acceptance Testing of system changes during the HCO Programs Operations period of this Contract.

#### **1.25.4 ACCEPTANCE TESTING CATEGORIES**

To ensure adequate testing of all aspects of the HCO Program Operations and supporting systems, Acceptance Testing is split into several categories. Each main category of Acceptance Testing shall be subdivided into segments to provide for selected testing of all elements (these shall be defined in CDHS's detailed Acceptance Testing Plan). The main categories and related general testing activities are described as follows:

##### **A. System Related Testing**

- 1. Each functional area of the HPE System described in the Scope of Work shall be thoroughly tested; and
- 2. Each supporting system (such as the PCS) shall be thoroughly tested to ensure each process is operating as designed.

##### **B. Manual Operations**

- 1. Manual operations include, but are not limited to: input preparation, data entry, forms processing, customer service functions, research operations, mailroom functions and all other operational areas. All manual processes shall be tested. Input and/or output activities and functions performed by any other Contractor Organizational Unit shall be included in the manual operations Acceptance Testing process; and
- 2. Input preparation shall be tested from receipt of all inputs in the mailroom through sorting, batching, numbering, scanning, and controlling, to submission of data entry, to records retention and retrieval responsibilities. Outputs from data entry shall be examined.

##### **C. Automated Processing**

1. Automated processing includes all online automated processes performed on the Contractor's computer and all processing of documents from receipt through completion of the transaction (such as enrollment, disenrollment or exemption).
2. All transactions submitted to outside entities shall be tested with the appropriate organization to ensure proper transmission of data.
3. All transactions supported by the HPE System shall be tested with both valid and invalid data. All forms of input data and processing cycles shall be tested to ensure that appropriate files are updated. Files, reports, and screens produced by each process shall be examined for conformity to design requirements.

**D. Technical Operations**

1. Technical operations include all factors associated with computer job submission and operation and/or maintenance of the Contractor's computer equipment and operating system software. This category also includes simulated testing of CDHS's network interface with the Contractor's computer center; and
2. Manual procedures shall be analyzed, operator logs shall be reviewed, and general HCO Program Operations testing shall be run. The ability of the Contractor to adequately perform the required work is subject to CDHS evaluation.

**1.25.5 SELECTED ACCEPTANCE TESTING SCENARIOS**

**1.25.5.1 ON-LINE FUNCTIONS TESTING**

CDHS and Contractor staff shall enter transactions supported by the HPE System's data entry functions, to include, but not limited to, form entry and processing, beneficiary tracking information entry, and research processing. Transactions shall be submitted to test all variations of input. Input and output screens shall be checked, and outputs required by transactions requests shall be produced.

**Assumptions:**

- A. All HPE System hardware and software shall be fully installed before the start of Acceptance Testing;
- B. Key Contractor staff from each organizational unit shall be allocated for the on-line functionality testing;
- C. Sufficient Contractor staff who meet CDHS proficiency standards shall be allocated to enable turnaround of CDHS submitted testing within the timelines defined in this Contract; and

- D. Sufficient computer hardware and other support equipment shall be allocated to ensure turnaround of the testing within the timelines defined in this Contract.

#### **1.25.5.2 VOLUME, STRESS AND PARALLEL TESTING**

CDHS shall provide the Contractor with documents or files to simulate some or all of a full business day's worth of HCO Program Operations and HCO process production functions. The Contractor shall demonstrate the ability to process the files, from start to finish, within specified time limits.

CDHS will require that the Contractor perform parallel testing of the system before the Contractor begins Assumption of Operations. The Contractor shall conduct parallel testing during Acceptance Testing. The results of testing shall be reviewed and approved by CDHS.

Assumptions:

- A. Key Contractor staff from each organizational unit shall be allocated for this testing;
- B. Sufficient Contractor staff who meets CDHS proficiency standards shall be available to ensure testing completion within three (3) business days. The Contractor shall be prepared to handle daily, weekly, and monthly volumes for evaluation purposes;
- C. Sufficient computer hardware and support equipment shall be allotted to ensure turnaround for this testing within the timelines defined in this Contract;
- D. The Contractor shall install parallel HPE System files to perform the parallel testing;
- E. This testing shall include automated processes;
- F. This testing shall be satisfied if completed on a timely basis as agreed to in writing by the Contractor and CDHS, and CDHS evaluation shows that expected results were achieved. CDHS may repeat this testing if results are not satisfactory; and
- G. The Contractor shall compare the output of each testing and determine any discrepancies that exist and the source of those discrepancies.

#### **1.25.5.3 ADMINISTRATIVE AND FISCAL ACCEPTANCE TESTING**

- 1. Administrative and fiscal responsibilities include, but are not limited to, such functions as accounting, accounts receivable, auditing, project control and standards, quality assurance, security and confidentiality, and administrative functions at the Contractor's organization.



2. The Contractor's ability to perform administrative and fiscal responsibilities associated with HCO Program Operations is subject to CDHS evaluation.

#### **1.25.5.4 EVALUATION OF MANUALS**

The Contractor shall demonstrate that all manuals required for the HCO Program Operations and HPE Processing Solution are available, current, complete, and adequate for the Contractor's environment. CDHS shall review, evaluate and approve all procedures, training, and any other HCO Program documentation.

Assumptions:

- A. For those manuals needing development and/or revision, the Contractor shall submit to CDHS new or updated manuals as agreed upon in project schedule or CED. The Contractor shall, concurrently, submit to CDHS a list of those manuals requiring no development and/or revisions;
- B. For each manual, key Contractor staff from organizational units affected by the manuals shall provide walkthroughs to CDHS staff;
- C. The Contractor shall provide to CDHS staff copies of the manuals or other CDHS-approved presentation materials for the walkthroughs. The number of copies shall be determined by CDHS; and
- D. The Contractor shall update any manual(s) found to be inadequate by CDHS within the time frames as specified in this Contract.

#### **1.25.5.5 GENERAL HPE SYSTEM ACCURACY TESTING**

CDHS shall provide the Contractor with documents designed primarily to test the HPE System's validity of data and accuracy of deliverables for all business functions for the various HCO Program Operations.

Invalid data shall be used to check the accuracy of rejection and error notification routines. Valid data shall be used to ensure that transactions meeting the validation criteria result in appropriate actions.

The Contractor shall execute the accuracy testings as directed by CDHS.

Assumptions:

- A. All HCO operations shall be fully implemented as agreed upon in project schedule;
- B. Key Contractor staff from each organizational unit shall be allocated for this series of accuracy evaluations;
- C. Sufficient Contractor staff who meet CDHS proficiency standards shall be allocated to enable turnaround of CDHS-submitted evaluations within the timelines defined in this Contract;

- D. Sufficient resources shall be allocated to ensure turnaround of the evaluations within the timelines defined in this Contract;
- E. This series of evaluations shall apply to all processes;
- F. Contractor staff shall be prepared to perform all corrections and documentation of any process deficiencies that are found, in the timeframes specified by this Contract;
- G. Any portion of the process where deficiencies were found shall be subject to retesting; and
- H. This series of accuracy evaluations shall be successfully satisfied when CDHS approves of the HCO Operations accuracy.

#### **1.25.5.6 CONTRACTOR STAFF PROFICIENCY TESTING**

All HCO Program components are to be tested, including, but not limited to, file processing, forms processing, mailing operations, mailroom operations, TCC operations, presentations, materials development, inventory operations, correspondence with beneficiaries, health plans and other interested parties, quality assurance functions, problem corrections system, reports functions, training functions, record retention functions, security and confidentiality functions, and disaster prevention functions. The Contractor's staff shall demonstrate proficiency in all areas of the HCO Program process. The Contractor's staff shall demonstrate proficiency in communicating with CDHS staff in a variety of situations, per the requirements as specified in this Contract.

Assumptions:

- A. Key Contractor staff from each organizational unit shall be allocated for this testing;
- B. Sufficient Contractor staff who meet CDHS proficiency standards shall be available to ensure testing completion within three (3) business days;
- C. Sufficient resources shall be allotted to ensure turnaround for this testing within the timelines defined in this Contract; and
- D. This testing shall include all processes.

#### **1.25.5.7 SECURITY AND CONFIDENTIALITY TESTING AND DISASTER PREVENTION AND RECOVERY TESTING**

The Contractor shall demonstrate how the security and confidentiality requirements contained in the Security and Confidentiality Plan and Disaster Prevention and Recovery Plan have been met and shall show how developed procedures ensure Contract compliance. The Contractor shall visibly demonstrate, to CDHS, the existence of these factors within the Contractor's facilities.

Assumptions:

- A. The Contractor shall prepare a comprehensive checklist of factors from the Security and Confidentiality Plan and Disaster Prevention and Recovery Plan;
- B. The Contractor shall provide walkthroughs to CDHS staff on all security and confidentiality factors, including but not limited to off-site storage of required documents and backup and recovery facilities;
- C. The Contractor shall provide a facility tour to demonstrate all visible security factors for CDHS staff;
- D. The Contractor shall apply and document corrective action(s) to any security and confidentiality factors CDHS determines to be inadequate; and
- E. This testing shall be satisfied if completed in the timeframe as agreed to by the Contractor and CDHS, and if CDHS evaluation documents that expected results were achieved. CDHS may repeat this testing if results are not satisfactory.

**1.25.6 ACCEPTANCE TESTING EVALUATION RESPONSE**

- A. The Contractor shall submit a written response to each System Variance Request (SVR) for CDHS review and approval, within two (2) business days of receipt. The response shall include:
  - 1. A summary analysis of the SVR;
  - 2. Programs which are affected; and
  - 3. A time frame for correction and resolution of each problem. CDHS shall have final approval of the time frame allowed for correction and resolution of each problem.
- B. CDHS shall review and approve or disapprove in writing the proposed resolution as well as determine the priorities for the system corrections.
- C. All deficiencies found during Acceptance Testing shall be corrected prior to the Assumption of Operations, unless otherwise approved in writing by CDHS. CDHS shall review those deficiencies caused by the incorrect computer applications of policy.
- D. The Contractor shall, at CDHS's option, be required to repeat specified Acceptance Testing as a result of modifications applied by the Contractor in the resolution of SVRs.

**1.25.7 ACCEPTANCE DECISIONS**

- A. Prior to the Assumption of Operations, CDHS shall use Acceptance Testing results to determine if the Contractor is ready to assume HCO Program

Operations. Acceptance Testing and Contractor corrective actions shall continue until the Contractor is prepared to assume HCO Program Operations.

- B. The Contractor shall not assume HCO Program Operations until written CDHS approval of Contractor readiness for Assumption of Operations is provided.

## **1.26 ASSUMPTION OF OPERATIONS**

This Section discusses the transfer of HCO Program Operation responsibilities to take place during Takeover, and defines the time frame for overlapping processing periods of this Contract and the prior Contractor's responsibilities.

### **1.26.1 ENROLLMENT AND DISENROLLMENT PROCESSING**

The Contractor shall:

- A. Receive a copy of all inventory files pertaining to activities of the prior Contractor one (1) week prior to the Assumption of Operations;
- B. Receive and process misdirected mail that belongs to the prior Contractor, during the three (3) months immediately preceding Assumption of Operations;
- C. Accept responsibility for the Post Office boxes at Assumption of Operations, and ensure that health plans and new beneficiaries are informed of any address changes; and
- D. Accept responsibility for the Telephone Call Center (TCC) toll-free telephone numbers at Assumption of Operations.

### **1.26.2 TWO-WAY FILE TRANSFER**

Two-way file transfer is a process by which the prior Contractor transfers all files necessary for HCO Program Operations to the Contractor. The two-way file transfer shall be implemented prior to testing activities. This transfer includes, but is not limited to, the following:

- A. Utilizing the files necessary for the Assumption of Operations of all HCO Program activities, in accordance with the requirements in this Section; and
- B. Testing the two-way file transfer for the process testing, acceptance testing and operational environments as outlined in testing plans.

### **1.26.3 FILE MAINTENANCE**

The Contractor shall:

- A. Maintain all files, including receipt of data, from the prior Contractor through the end of the prior Contractor's Turnover period;

- B. Beginning with the Assumption of Operations, implement the record retention responsibilities; and
- C. At the time of receipt of processing data from the prior Contractor, uniquely identify each transaction as processed by the prior Contractor.

#### **1.27 TAKEOVER COMPLETION**

The Takeover Phase shall be considered completed and the Contractor's Takeover responsibilities accomplished upon the conclusion of the following items as approved in writing by CDHS:

- A. Complete implementation of all plans and activities required in this Section of the Contract;
- B. CDHS acceptance and written approval of all Takeover deliverables;
- C. Correction, to the satisfaction of CDHS, of all errors and/or deficiencies identified during User Acceptance Testings, and verification and approval of such corrections by CDHS;
- D. Successful operation of all manual and automated activities of the HCO Program Operations for all activities during Takeover;
- E. Receipt of all residual inventory and residual records from the prior Contractor and the processing of all inventory and storing of all records for retrieval; and
- F. Receipt and implementation of all information files produced by the prior Contractor during Takeover.